

FEATURE – BEEF AND DAIRY LEAD RISING FOOD PRICES

INTRO: A U-S Department of Agriculture economist says the trip to the grocery store will be more expensive in 2011 than it was in 2010. The USDA's Bob Ellison has more. (1:11)

BEEF, PORK AND DAIRY PRICES SHOULD RISE QUITE A BIT THIS YEAR ACCORDING TO U-S DEPARTMENT OF AGRICULTURE ECONOMIST RICKY VOLPE (vole-pea).

Ricky Volpe, USDA ERS: We're forecasting a seven to eight percent increase in retail beef prices over twenty-ten and six and half to seven and half percent for pork. Your milks and your yogurts and your cheese, we're forecasting about a five and a half percent increase over twenty-ten.

VOLPE SAYS MEAT AND DAIRY PRICES ARE GOING UP BECAUSE IT'S COSTING MORE TO FEED LIVESTOCK AND TRANSPORT FOOD PRODUCTS.

Volpe: Because corn prices are up and as corn prices go up, the price of feed goes up. Also, fuel prices are up, which increases production costs for all commodities but particularly for a lot of meat and dairy products.

VOLPE SAYS FRUIT AND VEGETABLE PRICES ARE GOING UP AS ARE POULTRY PRICES.

Volpe: We're forecasting fruits and vegetables as a whole to go up about three and a half to four and half percent. We're forecasting an increase in poultry of about three percent over twenty-ten levels.

VOLPE SAYS WHILE RISING FOOD PRICES MEAN AN IMPROVING ECONOMY, HE ADDS IT'S STILL TOUGH NEWS FOR CONSUMERS.

Volpe: It'll be hard to pay roughly the same amount as in twenty-ten. There's no question that the food budget is going up for a lot of households

IN WASHINGTON D-C FOR THE U-S DEPARTMENT OF AGRICULTURE I'M BOB ELLISON.